

Message Text

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PAGE 01 PARIS 21068 030954Z

12

ACTION EB-11

INFO OCT-01 EUR-25 ADP-00 AID-20 NSC-10 RSC-01 CIEP-02

TRSE-00 SS-15 STR-08 OMB-01 CEA-02 CIAE-00 COME-00

FRB-02 INR-10 NSAE-00 XMB-07 OPIC-12 LAB-06 SIL-01

PA-03 PRS-01 USIA-15 RSR-01 /154 W

----- 128316

R 030901Z AUG 73

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 2302

INFO AMEMBASSY LONDON

USMISSION EC BRUSSELS

USMISSION OECD PARIS

UNCLAS PARIS 21068

PASS TREASURY AND FEDERAL RESERVE

E.O. 11652: N/A

TAGS: EFIN, FR

SUBJECT: BANK OF FRANCE RAISES DISCOUNT RATE AGAIN

REF: PARIS 18432

1. BANK OF FRANCE RAISED DISCOUNT RATE FROM 8.5 PERCENT TO 9.5 PERCENT, EFFECTIVE AUGUST 2. THIS FOLLOWS INCREASE FROM 7.5 PERCENT TO 8.5 PERCENT MADE JULY 5 (REFTEL). THIS ACTION IS EXPLAINED BOTH AS ALIGNMENT WITH INCREASES IN INTEREST RATES IN OTHER COUNTRIES, NOTABLY UK, AND AS REFLECTION OF TIGHTER MONETARY POLICY.

2. DISCOUNT RATE PRESENTLY PLAYS MINOR DIRECT ROLE IN MONETARY POLICY, BUT SERVES AS USEFUL INDICATOR OF GOF INTENTIONS. DAY-TO-DAY RATE FOR PRIVATE PAPER HAS NOT INCREASED SINCE JULY 5 DISCOUNT RATE INCREASE. IN FACT, IT HAS FALLEN FROM 8-7/8 PERCENT TO 8-5/8 PERCENT WED., AUG. 2. THUS PRESENT INCREASE IN DISCOUNT RATE LEADS MONEY MARKET RATHER THAN FOLLOWING IT AS
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JULY 5 INCREASE DID.STONE

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NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 03 AUG 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973PARIS21068
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: PARIS
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730859/aaaabrii.tel
Line Count: 61
Locator: TEXT ON-LINE
Office: ACTION EB
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: 73 PARIS 18432
Review Action: RELEASED, APPROVED
Review Authority: kellerpr
Review Comment: n/a
Review Content Flags:
Review Date: 22 AUG 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <22-Aug-2001 by reddocgw>; APPROVED <14-Jan-2002 by kellerpr>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BANK OF FRANCE RAISES DISCOUNT RATE AGAIN
TAGS: EFIN, FR
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005